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posed of only three or four streets, sometimes only one. The little white cottages stand along it at regular intervals; only in old villages where families have multiplied and land is short, one site will contain three or four cottages crowded together. All the cottages are usually much of a size, except for the houses of the village priest, the schoolmaster and the notary. The older cottages are built of sun-dried brick, and thatched; the newer ones are of fired brick, and often roofed with the uglier but more healthy material known as 'eternit'. Most villages also contain one or more larger houses, the houses of the local squires or, as they call themselves (by the English word) 'gentry'. Every third or fourth village boasts a larger 'castle', the seat of the local 'magnate', prince, count or baron so-and-so. Sometimes these 'castles' face right on to the village street; more often they are set back in rather dusty parks. Each has a portico in front of it, with a coat of arms carved on the architrave; but like the cottages, they are usually one-storied and, like them, usually end at the back in farm buildings.

West Hungary is a pleasant country, in places well wooded and, although no hedges divide the fields, the sunken, dusty farm tracks, like deep Devonshire lanes, are often enclosed with acacias which meet over the head. A reasonable rainfall comes from the west, giving good crops, and the southern slopes of the hills are clothed with vineyards yielding a wine which is light (not so light as it seems) but very palatable. The country is essentially rural and the population has long been almost stationary; in many places, indeed, the

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peasants have, to the great but ineffectual concern of the authorities, aimed at having only one child in order to keep their holdings intact, for by Magyar custom a farm is divided equally among its owner's children on his death. The German colonists, on the other hand—the Swabians—pass on their heritage undivided, usually to the youngest son, while the remainder seek their fortunes in the towns. This is certainly one reason why the Swabians prosper more than the Magyars. Their superior neatness, diligence and sobriety is, it must be confessed, another and not less potent reason.

The Swabians are to be found in some strength in the Bakony region, in the south-east, near Pécs (a region devastated by the Turks, recolonized and known by the Germans as 'Swabian Turkey'), and on the very outskirts of Buda.

BUDAPEST. Buda itself, the western half of the twin capital of Budapest, was once a typical German-Hungarian town, although containing also a quarter, now demolished, which was the home of Serbian merchants. Here stood the old Royal Palace, the Cathedral and also the winter palaces of the Hungarian nobles. Later, the new palace and most of the new Government buildings, the Ministries, etc., were built there. Buda, before destruction overtook it, was still rather an old-fashioned place, administrative rather than commercial or industrial. It stands on a steep hill, with a fine outlook over the Danube, Pest and the great plain beyond. Behind Buda hill, the wooded valleys were covered with modern villas, the homes of civil servants and clerks.

to the above: 10% to 30% exemption when the direct tax payable is not more than 50 pengős, 5% to 20% when the direct tax is between 50 and 100 pengős. 651 729

Children's Allowances.

The high birth rate is encouraged by the state even through tax measures. The principle of tax exemption granted for children was first adopted in 1929. According to the number of children in the family the assessable income-tax rate is progressively lowered, that is to say, the personal exemption is gradually increased, and the income-tax rate is progressively reduced. Those who do not have to pay income-tax also have their other direct state taxes lowered if they have four or more children. The same purpose is served by Act XXII of 1940, which provides tax rate reduction for those property owners who rent their houses exclusively to families with many children. 651 168

Since 1940 the tax concession for those having children takes the form of progressive reduction of the taxable income according to the number of children in the family. The ratio of reduction is considerable: for three children 700 pengős, for four 1000 pengős, and for five or more children 1500 pengős can be deducted from taxable income. The same law provides that the heads of families not paying income-tax are eligible for a reduction of rates on property taxes. The reduction is progressive and is between 5% and 34% (in the case of five children).

The promotion of family welfare is embodied in the already mentioned act of 1940 to the extent that up to certain limits (12,000 pengős yearly income) the law differentiates between single and married taxpayers, and taxpayers with children. To show how this works in

651 practice we take the case of a man with a net income
168 of 3000 pengős. The income-tax payable by him will vary according to his status in the following manner:

30-year-old single taxpayer will pay	58.75	pengős
married childless	53.25	»
» with one child	50.50	»
» » two children...	45.00	»
» » three » ...	24.00	»
» » four » ...	18.00	»
» » five » ...	8.00	»
» » six » ...	no tax.	

Property tax in rural districts.

651 Social considerations prompted the Government to levy only a nominal fixed tax on small two-roomed houses, occupied by their owners in villages and rural districts. This means tax relief for more than one million property owners.

Taxes of artisans, craftsmen and their widows.

The poorer artisans are exempted from declaring their income for tax purposes and they have to pay only a small fixed income tax. The income-tax rate of independent handicraftsmen over 60 years of age, and handicraftsmen who work for wages is reduced to half the general rate. Various tax concessions are made to widows of handicraftsmen who are practising their late husbands' trade, and to disabled ex-soldiers.

Tax concessions for new leaseholders.

The new leaseholders who became taxable according to the definitions of Act IX 1940, are exempted from

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besides obtaining brood stock from the state for the poorer farmers, they also secure the occasional loan of thoroughbred stock for breeding purposes. Up to date almost 20,000 large agrarian families have been aided on these lines. Welfare societies also help the poor farmers who are engaged in vegetable and fruit gardening, bee-keeping, silkworm culture, rabbit breeding and collecting medicinal herbs.

Handicrafts.

In several villages the welfare societies organized the villagers into different handicraft groups to alleviate the effects of seasonal unemployment during the winter. To foster the handicraft activities of the villagers, welfare societies advance the sale of their products and help them with the purchase of raw materials.

Marriage Grants.

Marriage grants to young people is one method of social welfare aid to the agrarian population. A noteworthy feature of the contracts governing these loans is that repayments are progressively cancelled upon the birth of each child. These loans of 1000 pengös made possible the foundation of many new Hungarian families. After the birth of the fourth child the outstanding part of the loan is automatically cancelled.

Education.

The National Folk and Family Protection Bureau is working on a project which will subsidize the education of the children of farm labourers. It is expected